



HOMEWORK ACTION PLAN

S SPECIFIC
 M MEASURABLE
 A ACHIEVABLE
 R RELEVANT
 T TIME-BOUND

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| Name <u>Lauren Scheible</u> | Class # <u>A051</u> |
| Dealership <u>Tom Nehl Truck Company</u> | Date <u>10/31/2024</u> |

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| Current Situation or Challenge to be Addressed: | We do not have a used truck aging process in place to ensure our used trucks are not excessively aged (over 180 days old) | | |
| Current Performance Level (include specific measure): | We currently have 21 used trucks on our lot. 3 trucks over are 180 days (14%), 2 trucks are between 121-180 days (9.5%), 6 between 91-120 days (28.5%), 1 between 61-90 days (5%) and 12 between 0-60 days (60%). | | |
| Goal (what do you want to achieve?) | I want to eliminate trucks over 180 days on our used truck lot and set goals for the percentage of trucks in each age bracket | | |
| Goal Performance Level (include specific measure) | I want to have 0% of trucks over 180 days, 10% 121-180 days, 15% 91-120 days, 25% 61-90 days and 50%+ 0-60 days | | |
| Goal Start Date: | 11/1/2024 | Goal End Date: | 5/31/2025 |
| First Check-in Date: | 12/15/2024 | Performance Objective: | 10% of trucks 180 days old or more, already meeting objective for 121-180 days, 25% 91-120 days, already meeting goal for 61-90 days and 0-60 days |
| Second Check-in Date: | 2/1/2025 | Performance Objective: | 6% of trucks over 180 days, continue meeting goals for 121-180 days, 61-90 and 0-60 days, 20% 91-120 days old |
| Third Check-in Date: | 3/15/2025 | Performance Objective: | 3% of trucks over 180 days, continue meeting goals for 121-180 days, 61-90 and 0-60 days, 18% 91-120 days old |
| Fourth Check-in Date: | 5/31/2025 | Performance Objective: | 0% of trucks over 180 days, 10% or less of trucks 121-180 days, 15% or less |

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| | | | 90-120 days, 25% or less 61-90 days, 50% or more 0-60 days |
| How does your goal align with the dealers' vision? | Our vision is to be the recognized leader in the transportation industry, setting the standard for excellence, innovation, and reliability. Having a selection of used trucks that meets the needs of our customers and are sold quickly means that we know our market and our customers are getting the products they need for their businesses. | | |
| What are the potential benefits of achieving your goal? | By getting trucks off the lot by 180 days we will mitigate how much money we lose on trucks that have sat for a long time. We will have more money to buy more used trucks. Having faster turnover means that our trucks meet the needs of our customers so they will continue to be customers and we will continue to make money. | | |
| What are the potential consequences if you don't achieve your goal? | If we allow trucks to sit for more than 180 days we lose more money per truck and will not have as much money to buy the used trucks that our customers want and need. Our reputation may go down as people may begin to think we are a dealer with old trucks that no one wants to buy. | | |
| Why is the goal important to you? | We want our used truck operation to be healthy and turn trucks quickly. We want to make money and we also want to have the trucks our customers need. Having a process for aged trucks tracks with our vision to set the standard for excellence in our field. | | |
| Potential Obstacles | Unwillingness on the part of salespeople who do not want to mess with trucks that they will not make money on or lose money on. | | |
| Potential Solutions | Give spifs to salespeople who sell trucks older than 90 days. Discuss all aged trucks at every sales meeting and ideas to get them sold. Continually impress upon the salespeople how important it is to get these trucks off the lot. | | |
| BOTTOM LINE! Financial Impact of Achieving Your Goal (expressed in dollars) | I can't quantify exactly how much money will be saved because the amount of money lost on an aged truck is different for each unit. While we will still lose money on some trucks, the loss will be mitigated by the fact that we have a process in place to stop trucks from sitting longer than 180 days. The first loss is your best loss. It is better to take a good offer on a truck that is 90 days old than to wait for a great offer on a truck that is 180 days old. | | |

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What specific actions or steps will you take to accomplish your goal? What will you do differently or improve? For each, be sure to include necessary resources, who is accountable, the measurable result, and dates.

| SPECIFIC ACTION/STEP | NECESSARY RESOURCE(S) | ACCOUNTABLE PERSON(S) | EXPECTED RESULT | START, END, & CHECKPOINT DATES |
|---|--|----------------------------------|---|--|
| Click or tap here to enter text. | Click or tap here to enter text. | Click or tap here to enter text. | Click or tap here to enter text. | Click or tap here to enter text. |
| Sales director talks to used sales manager about plan to reduce aged trucks | List of trucks and their ages | Bret Catto | Used sales manager will agree with plan | 11/1/2024, no check points |
| Sales director puts new policy in place for aged trucks | List of trucks and their ages, list of desires regarding percentages of trucks in each age group | Bret Catto | Used sales manager will agree with policy | 11/15/2024, no check points |
| Used sales manager gives new policy to salespeople | List of trucks and their ages, new policy | Chad Lane | Sales people may not like plan but will understand it | 11/15/2024, no check points |
| Salespeople start working to get rid of aged trucks | List of trucks and their ages, new policy | Chad Lane | Sales people may not be enthusiastic | 11/20/2024, no end point, check points at 12/15/24 (10% over 180 days), 2/15/25 (6% over 180 days), 3/31/25 (3% over 180 days), 5/31/25 (0% over 180 days) |
| Used truck manager offers spifs for selling aged trucks, | List of trucks and their ages | Chad Lane | Sales people will be more enthusiastic with the potential for a | 12/15/2024, no end point |

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| amount increases as age of truck increases | | | bonus | |
| Aged trucks are sold and widdled down to the % required | List of trucks and their ages, new policy | Sales team | Truck ages will be within the percentages desired | 11/20/2024, no end point, used truck manager will announce ages of trucks in monthly meetings |

As you work toward your goal, it’s important to have interim check points with specific, measurable objectives so your team can hold themselves accountable. If everyone knows the goal and objectives, you don’t have to spend your valuable time micromanaging.

Once you’ve accomplished your goal, added or adjusted policies, procedures, and behaviors, now what? How will you ensure you and your staff do not fall back into the previous habits that produced poor results? Be specific.

We will discuss all aged trucks at monthly sales meetings so everyone knows about them and knows how much we are losing on each deal. Talking about them at each meeting will impress upon the sales team that having old trucks on the lot is not part of our culture. The used truck sales manager will not allow trucks the salespeople don't like/aren't selling to be parked in the back and forgotten about. The used truck sales manager will check used truck inventory weekly to see how old the trucks are and what steps need to be taken with each (markdown, wholesale, etc). We will continue to offer spifs to salespeople who sell aged trucks, and will offer higher spifs as the trucks get older. If the percentages stay within the goal there will be a bonus for all salespeople at the end of each month.

Describe any planning or implementation meetings conducted as part of development of your plan.

I had a meeting with our used truck manager and our truck sales manager to discuss the current state of the used truck department, how aged our trucks are, and how a process could improve the department and save money.

Sponsor Signature: _____